Slide 1

Slide 2

o If applying as a lead organization, it is your responsibility as the grant recipient to safeguard all federal funds awarded to you, even those funds that are sub-awarded.

o The grantee should provide training to sub-grantees regarding grant requirements.

o An agreement (letter of intent, contract or memorandum of understanding) is required between the VITA Grant Recipient and the sub-grantee.

o Grantee needs to clarify expectations and establish standards and guidelines. There should be consistency in the way information is provided to the grantee.

Slide 3
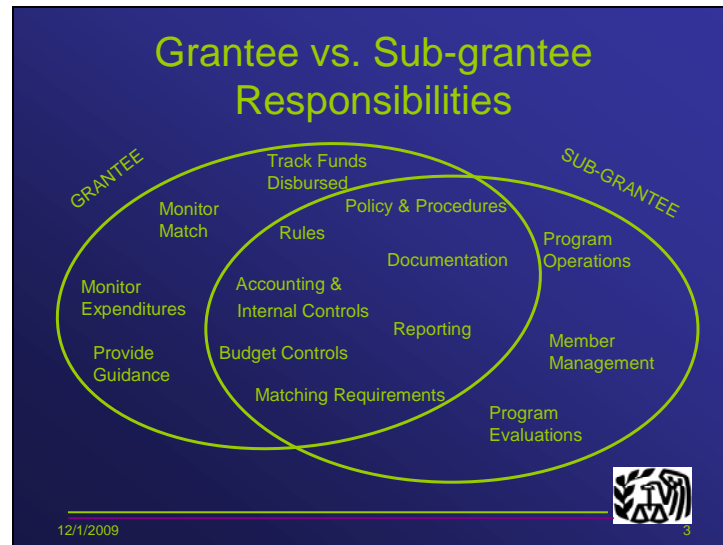
- o As you can see from this slide, the grantee and the sub-grantee share many of the same responsibilities.
- o Both are held to the policy and procedures of the VITA grant, as well as the terms and conditions of the grant.
- o There should be adequate documentation for both the grant and matched expenditures, and it should be clear, consistent and provide an audit trail.
- o Both are responsible for matching requirements, which will be covered in another presentation.
- o The grantee and sub-grantee must maintain an accounting system that properly and accurately documents and controls the receipt and disbursement of funds.
- o As the grantee, you should provide guidance to the sub-grantee in all aspects of the VITA grant.
- o The grantee is responsible for tracking all funds disbursed to safeguard against waste, fraud, and abuse.
- o There should be continuous, routine, scheduled monitoring.

Slide 4

Key Monitoring Review Areas

- **Financial Status Reports for sub-grantees**
- **Reimbursement request**
- **Policies and procedures, e.g. grievance and criminal background check procedures**
- **A-133 and other audit reports**

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o   Financial reports should be supported by accounting records.

o   Supporting documents should include such things as invoices, receipts, travel expenses, etc.

o   Review and address prior audit issues if applicable.

Slide 5

Frequently Found Issues

Budgets and Reports
- Missing documentation to support cost and match
- Duplicate cost
- Cost not included or approved in budget
- Don't reconcile or track back to accounting records
- Delinquent-not submitted or late

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These are some things frequently identified during monitoring of sub-grantees.

Slide 6

Frequently Found Issues
(Cont'd.)

Personnel Costs

- **Staff timesheets/records not signed**
- **Staff time not properly documented and allocated to various activities**
- **Charges and cost not based on after-the-fact records but on pre-established amounts**

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Slide 7

Frequently Found Issues
(Cont'd.)

Documentation
- **Missing**
- **Does not support charges or transaction**
- **Records or files not retained**

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Slide 8

Questions??

- **Refer to:**
  - **Publication 4671**
  - **Frequently Asked Questions online at IRS.gov**
- **Contact your assigned tax analyst**
- **Contact the Grant Program Office:**
  - **404.338.7894**
  - *grant.program.office@irs.gov*

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